

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
August 30, 2016

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:35 a.m. on Tuesday, August 30, 2016 in the Large Conference Room located at 9 Riverside Street. Trustee, Kathie Berube presided.

Trustees Present: Ben Bausha, Employee Member
Kathie Berube, Employee Member
Michael O'Brien, Aldermanic Liaison

Trustees Absent: Frank Anderson, Mayoral Appointee
Paul G. Bergeron, BPW Commissioner Representative

Others in Attendance: Mr. David Fredette, City Treasurer
Mr. Peter Bonet, Retiree
Mr. Lucien Roy, Retiree
Mary Woods, Administrative Assistant

Expected Visitors:

None

Minutes of the Meeting:

The minutes of the August 6, 2016 meeting were presented for review and acceptance.

MOTION BY: Trustee, Michael O'Brien moved to accept, place on file, and approve the minutes of the August 6, 2016.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

Personnel:

The death benefit of Mr. Jason Crook was presented to the Trustees effective August 17, 2016.

MOTION BY: Trustee, Ben Bausha moved to approve the death benefit payment for Mr. Jason Crook in the amount of \$3,000.00.

SECONDED BY: Trustee, Michael O'Brien

MOTION CARRIED: Unanimously

The resignation of Mr. Patrick Meighan was presented to the Trustees effective August 26, 2016, after 2.42 yrs. of service. He worked for DPW Administration.

MOTION BY: Trustee, Michael O'Brien moved to approve the Lump Sum Option for Mr. Patrick Meighan.

SECONDED BY: Trustee, Ben Bausha

MOTION CARRIED: Unanimously

Old Business:

Update on earned time pension deductions at time of retirement was discussed. This is in regards to last month's employee visitors who had asked questions. Mr. Fredette has met with Human Resources and the Legal Department twice and he thinks Legal would like to come and talk to the board and then meet with Mr. Sullivan to discuss this issue. Maybe they could come next month. Mr. O'Brien asked if it would be better to have it as a "non-public" meeting because of it being a personal issue. Mr. Fredette said he would have to talk to the Legal Department. Trustee Berube said that she believes that one of Mr. Sullivan's goals is to try and get clarification for other employees as well. Mr. Fredette will arrange for someone from the Legal Department and Mr. Sullivan to come to the Board of Trustees meeting next month with the possible agenda item being a "non-public" discussion.

Update on Medicare deduction for employees hired prior to 1987 was discussed. Mr. Fredette said that people hired prior to April, 1986, do not pay Medicare. He stated that there are 18 people still working that fall under this. Mr. O'Brien said there are also employees in the Police & Fire Department that fall under the same issue. Trustee Berube mentioned that some of these senior employees were obligated to sign a document saying that they do not pay into Medicare. Any information Mr. Fredette finds out, he will share with the board.

New Business:

Approval of the current disbursement of funds for the period of July 1, 2016, thru June 31, 2016 in the amount of \$195,925.73 was presented to the Board. The Trustees reviewed the detail.

MOTION BY: Trustee, Michael O'Brien moved to approve the current disbursement of funds for the period of July 1, 2016, thru July 31, 2016 in the amount of \$195,925.73.

SECONDED BY: Trustee, Ben Bausha

MOTION CARRIED: Unanimously
DISCUSSION:

Approval of Actuarial and Consulting Fees through 6/30/2016 to Hooker & Holcombe in the amount of \$2,800.

MOTION BY: Trustee, Michael O'Brien moved to approve the payment of \$2,800 to Hooker & Holcombe for Actuarial Services and Consulting fees through 6/30/2016.

SECONDED BY: Trustee, Ben Bausha

MOTION CARRIED: Unanimously

DISCUSSION: Mr. Fredette explained that this bill is actually for last year and it is approximately four months late.

Period for Public Comment:

Mr. Peter Bonet and Mr. Lucien Roy wanted to speak to the possibility of a cost of living increase for retirees. Mr. Roy said that they have been coming to these meetings for about six years and that other retirees are always questioning why can't there be a cost of living increase. He believes there has only been one cost of living increase that he remembers. Some retirees want to know why and he wants to know why research can't be done. He commented that since the pension is doing well, retirees don't understand why they couldn't have a 1 or 2% increase. He suggested that maybe a special meeting could be held. Also, how does the money compare (money that goes in vs. what comes out). Mr. Roy also wanted to ask since our new money managers have come in, have we seen an improvement and have we made more money. Mr. Fredette replied that he remembers that at one time we didn't have to dip into the trust fund to pay the pensions and now we do. We don't bring in enough money from the employees. Mr. Fredette could get the figures for him next month. Secondly, Mr. Fredette said this plan started in 1946 and there have been two increases. Regarding a COLA, the board hasn't made any decisions on that. Trustee Berube asked when the last COLA was and Mr. Fredette said that it was at least 15 years ago.

Mr. Bonet wanted to point out that the cost of living goes up every year, why can't the board figure out how to give the retirees more money. Mr. Fredette said that he has done a spreadsheet previously, and all the information has been given out. Trustee Berube asked if maybe we could ask Legal if a retiree reaches a certain age, could they be given an increase. Mr. Fredette said that we could ask that question and he believes a COLA was given out and the older retirees did get more than the younger retirees. Mr. Bonet pointed out that nothing has been done since he's been coming to the meetings. Mr. Fredette said this plan was never meant to give raises and annual increases. Mr. Bonet wants to know why it can't be looked at. Trustee Berube said that this will be discussed with Legal at the next meeting. Trustee O'Brien said that it's a very complex issue. He believes our 82% rating is our current liability to our existing employees. Where could be a COLA come from? Maybe this could be a budget item in the future. Trustee Bausha pointed out that when RBC Wealth Management came on board, that question was asked. Trustee O'Brien asked Mr. Fredette if for future employees they could pay into some kind of insurance policy. Mr. Fredette didn't know if that was possible but suggested that the current employees could pay 10% instead of 9% to fund the COLA. Mr. Roy wanted to know if the new company, RBC has done

better than the old company we used and why did we change. Mr. Fredette said that it went out for an RFP and their rates were lower than the others and they do more for us than the others. They have done more studies for us and have come up with options. Mr. Fredette believes they have done a good job. Trustee Berube wants to know how long they are with us. Mr. Fredette said that they have been with us for approximately three years and said they will probably be with us several years because the RFP process is very difficult.

Items by the Trustees:

None

Next meeting is set for Tuesday, September 27, 2016.

MOTION TO ADJOURN: Trustee, Kathie Berube moved to adjourn at 12:20 pm.

SECONDED BY: Trustee, Ben Bausha

MOTION CARRIED: Unanimously

Minutes Transcribed by: Mary Woods